

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6390**

**BILL NUMBER:** SB 150

**NOTE PREPARED:** Dec 11, 2012

**BILL AMENDED:**

**SUBJECT:** Highway Revolving Loan Fund.

**FIRST AUTHOR:** Sen. Skinner

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill establishes the Highway Revolving Loan Fund to provide loans to counties and municipalities for certain construction projects. The bill provides that the Indiana Department of Transportation (INDOT) shall administer the fund. It appropriates \$1.5 M to the fund.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Summary:* The bill establishes the Highway Revolving Loan Fund to be administered by INDOT for the purpose of making loans to counties and municipalities for construction projects relating to bridges, culverts, highways, roads, and streets. The bill appropriates \$1.5 M to the fund from the state General Fund in FY 2014. At the end of FY 2014, any monies remaining in the fund do not revert to the state General Fund.

**Additional Information:** INDOT is responsible for administering the Highway Revolving Loan Fund and granting loans for eligible projects. The fund consists of appropriations from the General Assembly as well as grants, gifts, and donations intended for deposit in the fund. Additional monies may come from the repayment of loans, including premiums, interest and penalties, and investment income. All administrative expenses incurred in the administration of the fund will be paid from the fund.

INDOT will determine the application process and terms for loans from the fund, within certain basic parameters as outlined in the bill. These parameters include a maximum loan term of 25 years and a maximum interest rate of 2%.

The Treasurer of State is responsible for investing monies in the fund not currently needed to issue loans. All income earned from these investments will be deposited into the fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Counties and municipalities who intend to engage in eligible construction projects may apply to INDOT for loans from the fund. These loans may not have an interest rate in excess of 2%, and the loan term may not exceed 25 years. Other terms and conditions will apply, as outlined by INDOT.

**State Agencies Affected:** Indiana Department of Transportation; Treasurer of State.

**Local Agencies Affected:** Counties and municipalities.

**Information Sources:**

**Fiscal Analyst:** Stephanie Wells, 232-9866.